

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name <b>TOWNSHIP OF JUNIATA</b>	County <b>TUSCOLA</b>
Fiscal Year End <b>3-31-06</b>	Opinion Date <b>6-23-06</b>	Date Audit Report Submitted to State <b>6-30-06</b>	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO **Check each applicable box below.** (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
  - ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
  - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
  - ☒ ☐ The local unit has adopted a budget for all required funds.
  - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
  - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
  - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
  - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
  - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
  - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
  - ☒ ☐ The local unit is free of repeated comments from previous years.
  - ☐ ☒ The audit opinion is UNQUALIFIED.
  - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
  - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
  - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	N / A	
Other (Describe)	<input type="checkbox"/>	N / A	
Certified Public Accountant (Firm Name) <b>ANDERSON, TUCKEY, BERNHARDT &amp; DORAN, P.C.</b>		Telephone Number <b>989-673-3137</b>	
Street Address <b>715 East Frank St. Caro, Michigan 48723-1623</b>		City	State Zip
Authorizing CPA Signature <i>Gary R. Anderson</i>		Printed Name <b>GARY R. ANDERSON</b>	License Number <b>1101005476</b>

**TOWNSHIP OF JUNIATA**  
**TUSCOLA COUNTY**

Financial Report  
March 31, 2006

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# ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



Gary R. Anderson, CPA  
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June 23, 2006

## REPORT OF INDEPENDENT AUDITOR'S

Township of Juniata  
Tuscola County  
Caro, Michigan 48723

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of Juniata Township, as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Township of Juniata's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The Township has not maintained a record of its general fixed assets and, accordingly a statement of general fixed assets, required by generally accepted accounting principles is not included in the financial report.

Management has not presented government-wide financial statements to display the financial position and changes in the financial position of its government activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Township of Juniata's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matters discussed in the preceding paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Juniata as of March 31, 2006, or changes in its financial position or cash flows where applicable, for the year then ended.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Juniata Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

*Anderson, Tuckey, Bernhardt & Doran, P.C.*

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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## **GENERAL PURPOSE FINANCIAL STATEMENTS**

# TOWNSHIP OF JUNIATA, TUSCOLA COUNTY

## COMBINED BALANCE SHEET - ALL FUND TYPES

March 31, 2006

	GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	TRUST & AGENCY	MARCH 31, 2006
<b><u>ASSETS</u></b>				
CURRENT ASSETS:				
Cash in Bank	\$ 126,420	142,028		\$ 268,448
Taxes receivable			\$ 148,665	148,665
Due from current tax collection fund	10,184	20,781		30,965
<b>TOTAL ASSETS</b>	<b><u>\$ 136,604</u></b>	<b><u>\$ 162,809</u></b>	<b><u>\$ 148,665</u></b>	<b><u>\$ 448,078</u></b>
<b><u>LIABILITIES</u></b>				
CURRENT LIABILITIES:				
Due to General Fund			\$ 10,184	\$ 10,184
Due to Road Fund			17,001	17,001
Due to Refuse Fund			3,780	3,780
Due to Other Governmental Units			117,700	117,700
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>148,665</u></b>	<b><u>148,665</u></b>
<b><u>FUND EQUITY</u></b>				
FUND BALANCE:				
Designated		\$ 162,809		162,809
Undesignated	\$ 136,604			136,604
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 136,604</u></b>	<b><u>\$ 162,809</u></b>	<b><u>\$ 148,665</u></b>	<b><u>\$ 448,078</u></b>

The accompanying notes are an integral part of the financial statements.

# TOWNSHIP OF JUNIATA, TUSCOLA COUNTY

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES YEAR ENDED MARCH 31, 2006

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTAL (MEMORANDUM)</u>
REVENUES:			
Taxes	\$ 67,023	\$ 115,693	\$ 182,716
Licenses & permits	820		820
Intergovernmental revenues	127,708		127,708
Other revenues	20,723		20,723
Cemetery receipts		2,275	2,275
Refuse collection assessments		24,984	24,984
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	216,274	142,952	359,226
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Legislative	32,694		32,694
General Government	57,675		57,675
Public safety	49,963		49,963
Public works	55,054	111,184	166,238
Office equipment	1,263		1,263
Culture & recreation	300		300
Miscellaneous	1,549		1,549
Cemetery operations		9,489	9,489
Refuse collection operations		32,959	32,959
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	198,496	153,632	352,128
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	17,778	(10,680)	7,098
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES):			
Operating transfers	(10,028)	10,028	-
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES & OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	7,750	(652)	7,098
	<hr/>	<hr/>	<hr/>
FUND BALANCE -BEGINNING OF YEAR	128,854	163,461	292,315
	<hr/>	<hr/>	<hr/>
FUND BALANCE - END OF YEAR	<u>\$ 136,604</u>	<u>\$ 162,809</u>	<u>\$ 299,413</u>

The accompanying notes are an integral part of the financial statements.

# TOWNSHIP OF JUNIATA, TUSCOLA COUNTY

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES YEAR ENDED MARCH 31, 2006

	<b>GENERAL FUND</b>		
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE- FAVORABLE (UNFAVORABLE)</b>
<b>REVENUES:</b>			
Taxes	\$ 69,395	\$ 67,023	\$ (2,372)
Licenses & permits	800	820	20
Intergovernmental revenues	125,000	127,708	2,708
Other revenues	6,500	20,723	14,223
Cemetery receipts			
Refuse collection assessments			
<b>TOTAL REVENUES</b>	<b>201,695</b>	<b>216,274</b>	<b>14,579</b>
<b>EXPENDITURES:</b>			
Legislative	38,392	32,694	5,698
General Government	70,120	57,675	12,445
Public safety	65,020	49,963	15,057
Public works	73,882	55,054	18,828
Office equipment	4,000	1,263	2,738
Culture & recreation	1,500	300	1,200
Miscellaneous	3,000	1,549	1,451
Cemetery operations			
Refuse collection operations			
<b>TOTAL EXPENDITURES</b>	<b>255,914</b>	<b>198,496</b>	<b>57,418</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(54,219)</b>	<b>17,778</b>	<b>71,997</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers	(10,028)	(10,028)	0
<b>EXCESS OF REVENUES &amp; OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>	<b>(64,247)</b>	<b>7,750</b>	<b>71,997</b>
<b>FUND BALANCE -BEGINNING OF YEAR</b>	<b>128,854</b>	<b>128,854</b>	
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 64,607</b>	<b>\$ 136,604</b>	<b>\$ 71,997</b>

The accompanying notes are an integral part of the financial statements.



SPECIAL REVENUE FUND TYPES		
BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
\$ 112,831	\$ 115,693	\$ 2,862
2,200	2,275	75
24,672	24,984	312
139,703	142,952	3,249
111,184	111,184	-
9,386	9,489	(103)
45,091	32,959	12,132
165,661	153,632	12,029
(25,958)	(10,680)	15,278
10,028	10,028	
(15,930)	(652)	15,278
163,461	163,461	
\$ 147,531	\$ 162,809	\$ 15,278

TOTAL (MEMORANDUM ONLY)		
BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
\$ 182,226	\$ 182,716	\$ 490
800	820	20
125,000	127,708	2,708
6,500	20,723	14,223
2,200	2,275	75
24,672	24,984	312
341,398	359,226	17,828
38,392	32,694	5,698
70,120	57,675	12,445
65,020	49,963	15,057
185,066	166,238	18,828
4,000	1,263	2,738
1,500	300	1,200
3,000	1,549	1,451
9,386	9,489	(103)
45,091	32,959	12,132
421,575	352,128	69,447
(80,177)	7,098	87,275
(80,177)	7,098	87,275
292,315	292,315	-
\$ 212,138	\$ 299,413	\$ 87,275

**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**DESCRIPTION OF TOWNSHIP OPERATIONS AND FUND TYPES:**

The Township of Juniata, Michigan was organized in 1859 and covers an area of approximately 36 square miles with the Township offices located in Tuscola County. The Township operates under an elected Board (5 members) and provides services to its more than 1,600 residents in many areas.

The financial statements of the Township of Juniata have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units, except for GASB 34 as explained in Note 7. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**A. REPORTING ENTITY:**

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, currently GASB Statement #14, the Financial Reporting Entity.

Based upon the application of these criteria, the general purpose financial statements of the Township of Juniata contain all the funds and account groups controlled by the Township's Board of Trustees as no other entity meets the criteria to be considered a blended component unit or a discretely presented component of the Township nor is the Township a component unit of another entity.

**B. FUND ACCOUNTING:**

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):**

**C. BASIS OF ACCOUNTING:**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used to revenue recognition for all other governmental fund revenues susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, federal and state grants, special assessments, licenses, interest revenue and charges for services. Fines, permits and sales tax and other state revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

**D. BUDGETS AND BUDGETARY ACCOUNTING:**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year-end. Encumbrances represent commitments related to unperformed contracts for goods or services. The Township does not utilize encumbrance accounting.

**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):**

**E. CASH AND INVESTMENTS:**

Cash includes amounts in petty cash and demand deposits. Investments included instruments allowed by state statute subsequently described. Investments are carried at amortized cost or fair value.

State statutes authorize the Township to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 50% of any fund at any time. The Township is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

**F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES:**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

**G. RECEIVABLES:**

Receivables consist primarily of amounts for taxes and customer charges. No allowance for doubtful accounts is considered necessary and credit risk is minimal because of the large number of customers and the authority of the Township to add receivables to the tax rolls, which are secured by the underlying property.

**H. RESTRICTED ASSETS:**

Certain proceeds of enterprise fund bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants and Michigan law.

**I. FIXED ASSETS:**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued to cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Fixed assets purchased within the non-expendable trust fund are reported as assets within those funds and accordingly, are included on their balance sheet.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):**

**I. FIXED ASSETS, (Continued):**

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. Primarily because of this policy, total expenditures for capital improvements in the governmental funds do not equal total additions to the general fixed asset account group.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed over the estimated useful lives using the straight-line method.

**J. INTERFUND TRANSACTIONS:**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reoccurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**K. MEMORANDUM ONLY - TOTAL COLUMNS:**

The total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. Prior year memorandum total amounts have been updated for comparative purposes.

**NOTE 2 - CASH AND INVESTMENTS:**

Cash and investments are held separately by each of the Township's funds and are invested in several local banks in accordance with Michigan Compiled Laws, Section 129.91.

**DEPOSITS:**

At year-end, the carrying amount of the Township's deposits was \$268,448 and the bank balance was \$271,980, \$120,000 of which was covered by federal depository insurance.

**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

**NOTE 2 - CASH AND INVESTMENTS (Continued):**

**INVESTMENTS:**

The Township's investments are categorized to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes investments that are insured or registered, or securities held by the Township's or the Township's agent in the Township's name. Category 2 includes investments that are uninsured and unregistered, with securities held by the counterpart's trust department or its agent in the Township's name. Category 3 includes investments that are uninsured and unregistered, with the securities held by the counter-party, or by its trust department or its agent but not in the Township's name. At March 31, 2006, the Township had no Category 1, 2 or 3 investments. Additional disclosures required by GASB 40 are not included in the accompanying financial statements.

The Township's cash, cash equivalents, investments and restricted assets at March 31, 2006 are composed of the following:

	<b><u>CASH AND CASH EQUIVALENTS</u></b>	<b><u>INVESTMENTS</u></b>
General Fund:		
Deposits	\$126,420	NONE
Other Funds:		
Deposits	<u>142,028</u>	<u>NONE</u>
TOTAL	<u>\$268,448</u>	<u>NONE</u>

**NOTE 3 - LEGAL COMPLIANCE - BUDGETS:**

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or prior to April 1 of each year, a proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Board of Trustees.

**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

**NOTE 3 - LEGAL COMPLIANCE – BUDGETS (Continued):**

5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.
6. Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations, which were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

**NOTE 4- PROPERTY TAX REVENUE:**

Property taxes become an enforceable lien on the property as of July 1 and December 1. Taxes are levied on July 1 and December 1 and are due in September and February of the following year. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district, state education fund and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year which includes the December 1 levy date. Property tax receivables related to delinquent taxes are also deferred unless collected within 60 days of year-end. The Township levied a total of 4.4814 mills on a taxable value of \$38,755,167 for the 2005 tax year.

**NOTE 5 – RISK MANAGEMENT:**

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above described activities. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**NOTE 6 – DUE TO AND FROM OTHER FUNDS:**

Due to and from other funds balances at March 31, 2006 are as follows:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
General Fund	\$10,184	
Current Tax Collection Fund		\$30,965
Road Fund	17,001	
Refuse Fund	<u>3,780</u>	<u>          </u>
<b>TOTAL</b>	<b><u>\$30,965</u></b>	<b><u>\$30,965</u></b>

**NOTE 7- GASB 34:**

The Township chose not to adopt GASB 34, which is required by Generally Accepted Accounting Principles (GAAP). This departure from GAAP is also noted in the audit report letter.

**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

**NOTE 8 – INTERFUND TRANSFERS:**

Interfund transfers for the year ended March 31, 2006 are as follows:

<b><u>FUND</u></b>	<b><u>TRANSFER FROM OTHER FUNDS</u></b>	<b><u>TRANSFER TO OTHER FUNDS</u></b>
Cemetery Fund	\$10,028	
General Fund	<u>          </u>	<u>\$10,028</u>
TOTAL	<u>\$10,028</u>	<u>\$10,028</u>



## **FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS**

**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED MARCH 31, 2006**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES:</b>			
Taxes:			
Property tax	\$ 55,395	\$ 57,631	\$ 2,236
Tax collection fees	14,000	9,392	(4,608)
Total Taxes	69,395	67,023	(2,372)
License & permits	800	820	20
Intergovernmental revenues:			
Metro Act Revenue	-	2,754	2,754
State Revenue Sharing	125,000	124,954	(46)
	125,000	127,708	2,708
Other Revenues:			
Interest earned	2,000	5,905	3,905
Miscellaneous	4,500	14,818	10,318
Total Other Revenues	6,500	20,723	14,223
<b>TOTAL REVENUES</b>	201,695	216,274	14,579
<b>EXPENDITURES:</b>			
Legislative:			
Salaries & wages:			
Township Board	2,592	2,592	-
Professional fees	12,000	13,327	(1,327)
Membership & dues	1,000	823	177
Office supplies	4,000	2,286	1,714
Insurance	7,800	7,645	155
Work training	1,200	160	1,040
F.I.C.A.	4,800	4,430	370
Temporary employees	2,000	102	1,898
Telephone	1,500	782	719
LDA Officers wages	1,000	400	600
Transportation	500	146	354
Total Legislative	38,392	32,694	5,698

(Continued)

**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED MARCH 31, 2006**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES: (Continued)			
General Government:			
Executive:			
Salaries & Wages:			
Supervisor	\$ 12,960	\$ 12,960	\$ -
Assessor	9,840	9,840	-
Total Executive	<u>22,800</u>	<u>22,800</u>	<u>-</u>
Elections:			
Printing, publishing & other expenses	2,500	385	2,115
Election wages	3,000	650	2,350
Total Elections	<u>5,500</u>	<u>1,035</u>	<u>4,465</u>
Clerk:			
Salaries & wages	<u>12,960</u>	<u>12,960</u>	<u>-</u>
Board of Review:			
Salaries & wages	<u>1,900</u>	<u>1,300</u>	<u>600</u>
Treasurer:			
Salaries & wages	<u>17,960</u>	<u>12,960</u>	<u>5,000</u>
Township Hall & Grounds:			
Utilities, repairs & maintenance	<u>9,000</u>	<u>6,620</u>	<u>2,380</u>
Total General Government	<u>70,120</u>	<u>57,675</u>	<u>12,445</u>
Public Safety:			
Contract service:			
Fire protection	35,000	32,249	2,751
Ambulance service	15,000	13,564	1,436
Zoning Salaries	12,520	2,520	10,000
Planning Commission - salaries	<u>2,500</u>	<u>1,630</u>	<u>870</u>
Total Public Safety	<u>65,020</u>	<u>49,963</u>	<u>15,057</u>

(Continued)

**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED MARCH 31, 2006**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES: (Continued)			
Public Works:			
Highways	\$ 43,882	\$ 26,626	\$ 17,256
Highways-Metro	-	2,754	\$ (2,754)
Drain-Tax-at-Large	30,000	25,673	4,327
	<u>73,882</u>	<u>55,054</u>	<u>18,828</u>
Total Public Works			
	<u>73,882</u>	<u>55,054</u>	<u>18,828</u>
Culture & Recreation:			
Library	-	-	
Museum	1,500	300	1,200
	<u>1,500</u>	<u>300</u>	<u>1,200</u>
Total Culture & Recreation			
	<u>1,500</u>	<u>300</u>	<u>1,200</u>
Office Equipment	4,000	1,263	2,738
	<u>4,000</u>	<u>1,263</u>	<u>2,738</u>
Miscellaneous	3,000	1,549	1,451
	<u>3,000</u>	<u>1,549</u>	<u>1,451</u>
TOTAL EXPENDITURES	255,914	198,496	57,418
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(54,219)</u>	<u>17,778</u>	<u>71,997</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers - out	(10,028)	(10,028)	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>(64,247)</u>	<u>7,750</u>	<u>71,997</u>
FUND BALANCE - BEGINNING OF YEAR	<u>128,854</u>	<u>128,854</u>	
FUND BALANCE - END OF YEAR	<u>\$ 64,607</u>	<u>\$ 136,604</u>	<u>\$ 71,997</u>

See the accompanying notes.

**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**March 31, 2006**

	<u>ROAD FUND</u>	<u>CEMETERY FUND</u>	<u>REFUSE FUND</u>	<u>TOTALS MARCH 31, 2006</u>
<b><u>ASSETS</u></b>				
CURRENT ASSETS:				
Cash in bank	\$ 98,692	\$ 10,000	\$ 33,336	\$ 142,028
Due from current tax collection fund	17,001	-	3,780	20,781
<b>TOTAL ASSETS</b>	<b><u>\$ 115,693</u></b>	<b><u>\$ 10,000</u></b>	<b><u>\$ 37,116</u></b>	<b><u>\$ 162,809</u></b>
 <b><u>LIABILITIES &amp; FUND EQUITY</u></b>				
LIABILITIES:				
Accounts payable				
FUND BALANCE:				
Designated	\$ 115,693	\$ 10,000	\$ 37,116	\$ 162,809
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b><u>\$ 115,693</u></b>	<b><u>\$ 10,000</u></b>	<b><u>\$ 37,116</u></b>	<b><u>\$ 162,809</u></b>

See the accompanying notes.

**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**YEAR ENDED MARCH 31, 2006**

	<u>ROAD FUND</u>	<u>CEMETERY FUND</u>	<u>REFUSE FUND</u>	<u>TOTALS MARCH 31, 2006</u>
REVENUES:				
Cemetery receipts		\$ 2,275		\$ 2,275
Taxes	\$ 115,693			115,693
Refuse collection assessments			\$ 24,984	24,984
TOTAL REVENUES	<u>115,693</u>	<u>2,275</u>	<u>24,984</u>	<u>142,952</u>
EXPENDITURES:				
Road construction	111,184			111,184
Cemetery operations		9,489		9,489
Refuse collection operations			32,959	32,959
TOTAL EXPENDITURES	<u>111,184</u>	<u>9,489</u>	<u>32,959</u>	<u>153,632</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,509</u>	<u>(7,214)</u>	<u>(7,975)</u>	<u>(10,680)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers - in		10,028		10,028
EXCESS OF REVENUES & OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>4,509</u>	<u>2,814</u>	<u>(7,975)</u>	<u>(652)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>111,184</u>	<u>7,186</u>	<u>45,091</u>	<u>163,461</u>
FUND BALANCE - END OF YEAR	<u>\$ 115,693</u>	<u>\$ 10,000</u>	<u>\$ 37,116</u>	<u>\$ 162,809</u>

See the accompanying notes.

**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**ROAD FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED MARCH 31, 2006**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Taxes - current	\$ 102,000	\$ 115,693	\$ 13,693
Taxes - delinquent	10,831	-	(10,831)
TOTAL REVENUES	<u>112,831</u>	<u>115,693</u>	<u>2,862</u>
EXPENDITURES:			
Road construction	<u>111,184</u>	<u>111,184</u>	<u>-</u>
TOTAL EXPENDITURES	<u>111,184</u>	<u>111,184</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>1,647</u>	<u>4,509</u>	<u>2,862</u>
FUND BALANCE - BEGINNING OF YEAR	<u>111,184</u>	<u>111,184</u>	
FUND BALANCE - END OF YEAR	<u>\$ 112,831</u>	<u>\$ 115,693</u>	<u>\$ 2,862</u>

See the accompanying notes.

**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**CEMETERY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED MARCH 31, 2006**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Grave openings	\$ 1,000	\$ 1,075	\$ 75
Sales - cemetery lots	<u>1,200</u>	<u>1,200</u>	<u>-</u>
TOTAL REVENUES	<u>2,200</u>	<u>2,275</u>	<u>75</u>
EXPENDITURES:			
Sexton's salary	2,400	2,700	(300)
Payroll taxes	184	217	(33)
Maintenance & miscellaneous, contracted services	<u>6,802</u>	<u>6,571</u>	<u>230</u>
TOTAL EXPENDITURES	9,386	9,489	(103)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(7,186)</u>	<u>(7,214)</u>	<u>(28)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers - in	10,028	10,028	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>2,842</u>	<u>2,814</u>	<u>(28)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>7,186</u>	<u>7,186</u>	
FUND BALANCE - END OF YEAR	<u><u>\$ 10,028</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ (28)</u></u>

See the accompanying notes.



**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**REFUSE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED MARCH 31, 2006**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Special assessments	\$ 24,672	\$ 24,984	\$ 312
TOTAL REVENUES	<u>24,672</u>	<u>24,984</u>	<u>312</u>
EXPENDITURES:			
Supervisors Wages	3,500	3,307	193
F.I.C.A.	270	253	17
Contracted services	37,321	28,449	8,872
Miscellaneous	<u>4,000</u>	<u>950</u>	<u>3,050</u>
TOTAL EXPENDITURES	<u>45,091</u>	<u>32,959</u>	<u>12,132</u>
EXCESS OF REVENUES OVER EXPENDITURES	(20,419)	(7,975)	12,444
FUND BALANCE - BEGINNING OF YEAR	<u>45,091</u>	<u>45,091</u>	
FUND BALANCE - END OF YEAR	<u>\$ 24,672</u>	<u>\$ 37,116</u>	<u>\$ 12,444</u>

See the accompanying notes.

**TOWNSHIP OF JUNIATA, TUSCOLA COUNTY**  
**CURRENT TAX COLLECTION FUND**  
**STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**March 31, 2006**

**CURRENT TAX COLLECTION FUND**

	<b>BALANCE APRIL 1, 2005</b>	<b>ADDITIONS</b>	<b>DEDUCTIONS</b>	<b>BALANCE MARCH 31, 2006</b>
<b><u>ASSETS</u></b>				
Taxes receivable	\$ 20,834	\$ 983,309	\$ 855,478	\$ 148,665
<b>TOTAL ASSETS</b>	<b><u>\$ 20,834</u></b>	<b><u>\$ 983,309</u></b>	<b><u>\$ 855,478</u></b>	<b><u>\$ 148,665</u></b>
<b><u>LIABILITIES</u></b>				
Due to Refuse Fund	\$ 3,672	\$ 24,876	\$ 24,984	\$ 3,780
Due to General Fund	6,331	63,790	67,643	10,184
Due to Road Fund	10,831	109,523	115,693	17,001
Due to Other Governmental Units	-	657,289	774,989	117,700
<b>TOTAL LIABILITIES</b>	<b><u>\$ 20,834</u></b>	<b><u>\$ 855,478</u></b>	<b><u>\$ 983,309</u></b>	<b><u>\$ 148,665</u></b>

See the accompanying notes.